



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1364

DATE: March 3, 2014

TO: Skilled Nursing Facilities (SNF)

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Outpatient Therapy Rates in a Skilled Facility

EFFECTIVE: April 1, 2014

On November 16, 2009, [Informational Letter 867](#)¹ announced a five percent payment reduction for Medicaid services rendered by nursing facilities. This reduction was a result of Executive Order 19, issued on October 8, 2009. The IME has clarified that the payment policy for therapy rates to skilled nursing facilities should be consistent with the intent of Executive Order 19.

There will be a one percent increase for outpatient therapy services that were in effect on June 30, 2013. Once the department has received state plan approval from the Centers for Medicare and Medicaid Services (CMS), reimbursement rates for outpatient therapy services will be increased to 95.95 percent of the submitted charge effective retroactively to July 1, 2013.

Until the approval is received, effective for dates of service on and after April 1, 2014, skilled services, such as physical, occupational and speech therapies performed in an outpatient setting will be paid at 95 percent of the modified price based rate.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, or locally in Des Moines at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.

¹ http://www.ime.state.ia.us/docs/867MedicaidNursingFacilityProgramChanges_3_.pdf